

Message Text

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ACTION NEA-10

INFO OCT-01 AF-10 ARA-14 EUR-12 ISO-00 XMB-04 SOE-02
AID-05 CEA-01 CIAE-00 COME-00 DODE-00 EB-08
DOE-11 H-02 INR-10 INT-05 L-03 NSAE-00 NSC-05
OMB-01 PM-05 USIA-15 OES-07 SP-02 SS-15 STR-07
TRSE-00 ACDA-12 /167 W
-----018461 082217Z /15

R 081508Z MAR 78
FM AMEMBASSY ALGIERS
TO SECSTATE WASHDC 8175
INFO AMEMBASSY ABU DHABI
AMEMBASSY BONN
AMEMBASSY BRUSSELS
AMEMBASSY THE HAGUE
AMEMBASSY LAGOS
AMEMBASSY LONDON
AMEMBASSY MEXICO CITY
AMEMBASSY MADRID
AMEMBASSY MOSCOW
AMEMBASSY OTTAWA
AMEMBASSY PARIS
AMEMBASSY RABAT
AMEMBASSY ROME
AMEMBASSY STOCKHOLM
AMEMBASSY TRIPOLI
AMEMBASSY TUNIS
AMCONSUL CASABLANCA
AMCONSUL ORAN POUCH

UNCLAS ALGIERS 0789

E. O. 11652: N/A
TAGS: ENRG, EFIN, AG
SUBJ: ALGERIAN NATURAL GAS SALES CONTRACTS AND EXPORT CAPACITY

REF: ALGIERS 0627
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PARIS ALSO FOR USOECD
DEPARTMENT PASS EXIMBANK AND DEPARTMENT OF ENERGY
1. IN HIS SPEECH AT THE INAUGURATION OF THE "LNG-1" PLANT IN ARZEW
(REFTEL) PRESIDENT BOUMEDIENE SAID THAT ALGERIA HAD FIRM EXPORT
CONTRACTS FOR 56 BILLION CUBIC METERS OF NATURAL GAS PER YEAR, OF
WHICH 28 PERCENT WAS DESTINED FOR THE U.S. WE HAVE ADDED THE KNOWN

FIRM CONTRACTS AND FIND THAT THEY COME TO 55.46 BILLION, AS FOLLOWS:

BRITISH BETHANE	1.05
GAZ DE FRANCE	9.18
ENAGAS (SPAIN)	4.50
DISTRIGAS (U.S.)	1.20
EL PASO I (U.S.)	10.34
DISTRIGAZ (BELGIUM)	5.00
PANHANDLE/TRUNKLINE (U.S.)	4.50
GASUNIE (NETHERLANDS)	4.00
RHURGAS/SALZGITTER (GERMANY)	4.00
ENI (ITALY)	11.69
TOTAL	55.46

2. SONATRACH ALSO HAS PENDING OR CONDITIONAL CONTRACTS FOR 24.34 BILLION CUBIC METERS A YEAR. EL PASO II (10.34) AND TENNECO (10.00) ARE AWAITING USG APPROVAL, WHILE BRIGITTA-THYSENGAS (4.00) WILL BECOME EFFECTIVE ONLY IF THE EL PASO II OR TENNECO CONTRACTS FAIL TO RECEIVE USG APPROVAL OR IF MORE GAS RESERVES ARE FOUND IN ALGERIA.

SONATRACH HAS THE FOLLOWING EXPORT FACILITIES OPERATING, UNDER CONSTRUCTION, OUT TO TENDER, OR PLANNED:

CAMEL LNG PLANT IN ARZEW. OPERATING. CAPACITY: 1.6.

SKIKDA LNG LINES 1, 2, 3. OPERATING. CAPACITY: 3.9 (1.3 EACH).

"LNG-1" IN ARZEW. ONE LINE (1.75) OPERATING. FULL PRODUCTION (10.5) EXPECTED EARLY 1979.

SKIKDA LNG LINE 4. PRODUCTION EXPECTED MAY 1978. CAPACITY: 1.2.

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SKIKDA LNG LINES 5, 6. TARGET DATE: FEBRUARY 1979. CAPACITY: 3.0 (1.5 EACH).

"LNG-2" IN ARZEW. TARGET DATES: FIRST LINE IN 1980, LAST (SIXTH) LINE 1981. CAPACITY: 10.5.

ALGERIA/ITALY PIPELINE. TARGET DATE: LATE 1981 CAPACITY: 11.4.

"LNG-3" IN ARZEW. TARGET DATE: UNKNOWN. CAPACITY: 15.5.

"LNG EAST" IN SKIKDA. TARGET DATE: UNKNOWN. CAPACITY: 10.5.

"LNG CENTER". NO CALL FOR TENDERS YET MADE. CAPACITY: 10.5.

4. COMMENT. SONATRACH THUS SEEMS TO HAVE FIRM CONTRACTS (55.46) FOR ALMOST ITS ENTIRE EXPORT CAPACITY (57.6) THROUGH "LNG-3" IN ARZEW. APPROVAL OF THE EL PASO II AND TENNECO CONTRACTS (20.34) WOULD BRING THEIR SALES TO 75.8, JUST BELOW THE EVENTUAL PLANNED CAPACITY OF 78.6. EXCEPT FOR THE EL PASO I CONTRACT, WHICH WILL BE MET FROM "LNG-1" PRODUCTION, SONATRACH SAYS THAT SPECIFIC LNG PLANTS WILL NOT BE DEDICATED TO MEETING SPECIFIC CONTRACTS. THE PRINCIPLE WILL BE "FIRST COME, FIRST SERVED" BUT IT REMAINS TO BE SEEN HOW THIS WILL WORK IN PRACTICE.

HAYNES

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